

In the Senate of the United States,

February 7 (legislative day, February 6), 2008.

Resolved, That the bill from the House of Representatives (H.R. 5140) entitled “An Act to provide economic stimulus through recovery rebates to individuals, incentives for business investment, and an increase in conforming and FHA loan limits.”, do pass with the following

AMENDMENT:

Strike all after the enacting clause and insert the following:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the*

3 *“Economic Stimulus Act of 2008”.*

1 (b) *TABLE OF CONTENTS.*—*The table of contents of this*
 2 *Act is as follows:*

Sec. 1. Short title; table of contents.

***TITLE I—RECOVERY REBATES AND INCENTIVES FOR BUSINESS
INVESTMENT***

Sec. 101. 2008 recovery rebates for individuals.

*Sec. 102. Temporary increase in limitations on expensing of certain depreciable
business assets.*

Sec. 103. Special allowance for certain property acquired during 2008.

TITLE II—HOUSING GSE AND FHA LOAN LIMITS

*Sec. 201. Temporary conforming loan limit increase for Fannie Mae and Freddie
Mac.*

Sec. 202. Temporary loan limit increase for FHA.

TITLE III—EMERGENCY DESIGNATION

Sec. 301. Emergency designation.

3 ***TITLE I—RECOVERY REBATES***
 4 ***AND INCENTIVES FOR BUSI-***
 5 ***NESS INVESTMENT***

6 ***SEC. 101. 2008 RECOVERY REBATES FOR INDIVIDUALS.***

7 (a) *IN GENERAL.*—*Section 6428 of the Internal Rev-*
 8 *enue Code of 1986 is amended to read as follows:*

9 ***“SEC. 6428. 2008 RECOVERY REBATES FOR INDIVIDUALS.***

10 “(a) *IN GENERAL.*—*In the case of an eligible indi-*
 11 *vidual, there shall be allowed as a credit against the tax*
 12 *imposed by subtitle A for the first taxable year beginning*
 13 *in 2008 an amount equal to the lesser of—*

14 “(1) *net income tax liability, or*

15 “(2) *\$600 (\$1,200 in the case of a joint return).*

16 “(b) *SPECIAL RULES.*—

1 “(1) *IN GENERAL.*—*In the case of a taxpayer de-*
 2 *scribed in paragraph (2)—*

3 “(A) *the amount determined under sub-*
 4 *section (a) shall not be less than \$300 (\$600 in*
 5 *the case of a joint return), and*

6 “(B) *the amount determined under sub-*
 7 *section (a) (after the application of subpara-*
 8 *graph (A)) shall be increased by the product of*
 9 *\$300 multiplied by the number of qualifying*
 10 *children (within the meaning of section 24(c)) of*
 11 *the taxpayer.*

12 “(2) *TAXPAYER DESCRIBED.*—*A taxpayer is de-*
 13 *scribed in this paragraph if the taxpayer—*

14 “(A) *has qualifying income of at least*
 15 *\$3,000, or*

16 “(B) *has—*

17 “(i) *net income tax liability which is*
 18 *greater than zero, and*

19 “(ii) *gross income which is greater*
 20 *than the sum of the basic standard deduc-*
 21 *tion plus the exemption amount (twice the*
 22 *exemption amount in the case of a joint re-*
 23 *turn).*

1 “(c) *TREATMENT OF CREDIT.*—The credit allowed by
 2 subsection (a) shall be treated as allowed by subpart C of
 3 part IV of subchapter A of chapter 1.

4 “(d) *LIMITATION BASED ON ADJUSTED GROSS IN-*
 5 *COME.*—The amount of the credit allowed by subsection (a)
 6 (determined without regard to this subsection and sub-
 7 section (f)) shall be reduced (but not below zero) by 5 per-
 8 cent of so much of the taxpayer’s adjusted gross income as
 9 exceeds \$75,000 (\$150,000 in the case of a joint return).

10 “(e) *DEFINITIONS.*—For purposes of this section—

11 “(1) *QUALIFYING INCOME.*—The term ‘qualifying
 12 income’ means—

13 “(A) earned income,

14 “(B) social security benefits (within the
 15 meaning of section 86(d)), and

16 “(C) any compensation or pension received
 17 under chapter 11, chapter 13, or chapter 15 of
 18 title 38, United States Code.

19 “(2) *NET INCOME TAX LIABILITY.*—The term ‘net
 20 income tax liability’ means the excess of—

21 “(A) the sum of the taxpayer’s regular tax
 22 liability (within the meaning of section 26(b))
 23 and the tax imposed by section 55 for the taxable
 24 year, over

1 “(B) the credits allowed by part IV (other
 2 than section 24 and subpart C thereof) of sub-
 3 chapter A of chapter 1.

4 “(3) *ELIGIBLE INDIVIDUAL*.—The term ‘eligible
 5 individual’ means any individual other than—

6 “(A) any nonresident alien individual,

7 “(B) any individual with respect to whom
 8 a deduction under section 151 is allowable to an-
 9 other taxpayer for a taxable year beginning in
 10 the calendar year in which the individual’s tax-
 11 able year begins, and

12 “(C) an estate or trust.

13 “(4) *EARNED INCOME*.—The term ‘earned in-
 14 come’ has the meaning set forth in section 32(c)(2) ex-
 15 cept that—

16 “(A) subclause (II) of subparagraph (B)(vi)
 17 thereof shall be applied by substituting ‘January
 18 1, 2009’ for ‘January 1, 2008’, and

19 “(B) such term shall not include net earn-
 20 ings from self-employment which are not taken
 21 into account in computing taxable income.

22 “(5) *BASIC STANDARD DEDUCTION; EXEMPTION*
 23 *AMOUNT*.—The terms ‘basic standard deduction’ and
 24 ‘exemption amount’ shall have the same respective
 25 meanings as when used in section 6012(a).

1 “(f) *COORDINATION WITH ADVANCE REFUNDS OF*
 2 *CREDIT.*—

3 “(1) *IN GENERAL.*—*The amount of credit which*
 4 *would (but for this paragraph) be allowable under*
 5 *this section shall be reduced (but not below zero) by*
 6 *the aggregate refunds and credits made or allowed to*
 7 *the taxpayer under subsection (g). Any failure to so*
 8 *reduce the credit shall be treated as arising out of a*
 9 *mathematical or clerical error and assessed according*
 10 *to section 6213(b)(1).*

11 “(2) *JOINT RETURNS.*—*In the case of a refund or*
 12 *credit made or allowed under subsection (g) with re-*
 13 *spect to a joint return, half of such refund or credit*
 14 *shall be treated as having been made or allowed to*
 15 *each individual filing such return.*

16 “(g) *ADVANCE REFUNDS AND CREDITS.*—

17 “(1) *IN GENERAL.*—*Each individual who was an*
 18 *eligible individual for such individual’s first taxable*
 19 *year beginning in 2007 shall be treated as having*
 20 *made a payment against the tax imposed by chapter*
 21 *1 for such first taxable year in an amount equal to*
 22 *the advance refund amount for such taxable year.*

23 “(2) *ADVANCE REFUND AMOUNT.*—*For purposes*
 24 *of paragraph (1), the advance refund amount is the*
 25 *amount that would have been allowed as a credit*

1 *under this section for such first taxable year if this*
 2 *section (other than subsection (f) and this subsection)*
 3 *had applied to such taxable year.*

4 “(3) *TIMING OF PAYMENTS.*—*The Secretary*
 5 *shall, subject to the provisions of this title, refund or*
 6 *credit any overpayment attributable to this section as*
 7 *rapidly as possible. No refund or credit shall be made*
 8 *or allowed under this subsection after December 31,*
 9 *2008.*

10 “(4) *NO INTEREST.*—*No interest shall be allowed*
 11 *on any overpayment attributable to this section.*

12 “(h) *IDENTIFICATION NUMBER REQUIREMENT.*—

13 “(1) *IN GENERAL.*—*No credit shall be allowed*
 14 *under subsection (a) to an eligible individual who*
 15 *does not include on the return of tax for the taxable*
 16 *year—*

17 “(A) *such individual’s valid identification*
 18 *number,*

19 “(B) *in the case of a joint return, the valid*
 20 *identification number of such individual’s*
 21 *spouse, and*

22 “(C) *in the case of any qualifying child*
 23 *taken into account under subsection (b)(1)(B),*
 24 *the valid identification number of such quali-*
 25 *fying child.*

1 “(2) *VALID IDENTIFICATION NUMBER.*—For pur-
 2 poses of paragraph (1), the term ‘valid identification
 3 number’ means a social security number issued to an
 4 individual by the Social Security Administration.
 5 Such term shall not include a TIN issued by the In-
 6 ternal Revenue Service.”.

7 (b) *ADMINISTRATIVE AMENDMENTS.*—

8 (1) *DEFINITION OF DEFICIENCY.*—Section
 9 6211(b)(4)(A) of the Internal Revenue Code of 1986
 10 is amended by striking “and 53(e)” and inserting
 11 “53(e), and 6428”.

12 (2) *MATHEMATICAL OR CLERICAL ERROR AU-*
 13 *THORITY.*—Section 6213(g)(2)(L) of such Code is
 14 amended by striking “or 32” and inserting “32, or
 15 6428”.

16 (c) *TREATMENT OF POSSESSIONS.*—

17 (1) *PAYMENTS TO POSSESSIONS.*—

18 (A) *MIRROR CODE POSSESSION.*—The Sec-
 19 retary of the Treasury shall make a payment to
 20 each possession of the United States with a mir-
 21 ror code tax system in an amount equal to the
 22 loss to that possession by reason of the amend-
 23 ments made by this section. Such amount shall
 24 be determined by the Secretary of the Treasury

1 *based on information provided by the govern-*
2 *ment of the respective possession.*

3 *(B) OTHER POSSESSIONS.—The Secretary*
4 *of the Treasury shall make a payment to each*
5 *possession of the United States which does not*
6 *have a mirror code tax system in an amount es-*
7 *timated by the Secretary of the Treasury as*
8 *being equal to the aggregate benefits that would*
9 *have been provided to residents of such possession*
10 *by reason of the amendments made by this sec-*
11 *tion if a mirror code tax system had been in ef-*
12 *fect in such possession. The preceding sentence*
13 *shall not apply with respect to any possession of*
14 *the United States unless such possession has a*
15 *plan, which has been approved by the Secretary*
16 *of the Treasury, under which such possession will*
17 *promptly distribute such payment to the resi-*
18 *dents of such possession.*

19 *(2) COORDINATION WITH CREDIT ALLOWED*
20 *AGAINST UNITED STATES INCOME TAXES.—No credit*
21 *shall be allowed against United States income taxes*
22 *under section 6428 of the Internal Revenue Code of*
23 *1986 (as amended by this section) to any person—*

1 (A) to whom a credit is allowed against
2 taxes imposed by the possession by reason of the
3 amendments made by this section, or

4 (B) who is eligible for a payment under a
5 plan described in paragraph (1)(B).

6 (3) *DEFINITIONS AND SPECIAL RULES.*—

7 (A) *POSSESSION OF THE UNITED STATES.*—
8 For purposes of this subsection, the term “possession
9 of the United States” includes the Commonwealth
10 of Puerto Rico and the Commonwealth of
11 the Northern Mariana Islands.

12 (B) *MIRROR CODE TAX SYSTEM.*—For purposes
13 of this subsection, the term “mirror code
14 tax system” means, with respect to any possession
15 of the United States, the income tax system
16 of such possession if the income tax liability of
17 the residents of such possession under such system
18 is determined by reference to the income tax
19 laws of the United States as if such possession
20 were the United States.

21 (C) *TREATMENT OF PAYMENTS.*—For purposes
22 of section 1324(b)(2) of title 31, United
23 States Code, the payments under this subsection
24 shall be treated in the same manner as a refund
25 due from the credit allowed under section 6428

1 *of the Internal Revenue Code of 1986 (as amend-*
 2 *ed by this section).*

3 *(d) REFUNDS DISREGARDED IN THE ADMINISTRATION*
 4 *OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PRO-*
 5 *GRAMS.—Any credit or refund allowed or made to any indi-*
 6 *vidual by reason of section 6428 of the Internal Revenue*
 7 *Code of 1986 (as amended by this section) or by reason of*
 8 *subsection (c) of this section shall not be taken into account*
 9 *as income and shall not be taken into account as resources*
 10 *for the month of receipt and the following 2 months, for*
 11 *purposes of determining the eligibility of such individual*
 12 *or any other individual for benefits or assistance, or the*
 13 *amount or extent of benefits or assistance, under any Fed-*
 14 *eral program or under any State or local program financed*
 15 *in whole or in part with Federal funds.*

16 *(e) APPROPRIATIONS TO CARRY OUT REBATES.—*

17 *(1) IN GENERAL.—Immediately upon the enact-*
 18 *ment of this Act, the following sums are appropriated,*
 19 *out of any money in the Treasury not otherwise ap-*
 20 *propriated, for the fiscal year ending September 30,*
 21 *2008:*

22 *(A) DEPARTMENT OF TREASURY.—*

23 *(i) For an additional amount for “De-*
 24 *partment of the Treasury—Financial Man-*
 25 *agement Service—Salaries and Expenses”,*

1 \$64,175,000, to remain available until Sep-
2 tember 30, 2009.

3 (ii) For an additional amount for
4 “Department of the Treasury—Internal
5 Revenue Service—Taxpayer Services”,
6 \$50,720,000, to remain available until Sep-
7 tember 30, 2009.

8 (iii) For an additional amount for
9 “Department of the Treasury—Internal
10 Revenue Service—Operations Support”,
11 \$151,415,000, to remain available until
12 September 30, 2009.

13 (B) SOCIAL SECURITY ADMINISTRATION.—
14 For an additional amount for “Social Security
15 Administration—Limitation on Administrative
16 Expenses”, \$31,000,000, to remain available
17 until September 30, 2008.

18 (2) REPORTS.—No later than 15 days after en-
19 actment of this Act, the Secretary of the Treasury
20 shall submit a plan to the Committees on Appropria-
21 tions of the House of Representatives and the Senate
22 detailing the expected use of the funds provided by
23 paragraph (1)(A). Beginning 90 days after enactment
24 of this Act, the Secretary of the Treasury shall submit
25 a quarterly report to the Committees on Appropria-

tions of the House of Representatives and the Senate detailing the actual expenditure of funds provided by paragraph (1)(A) and the expected expenditure of such funds in the subsequent quarter.

(f) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “or 6428” after “section 35”.

(2) Paragraph (1) of section 1(i) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D).

(3) The item relating to section 6428 in the table of sections for subchapter B of chapter 65 of such Code is amended to read as follows:

“Sec. 6428. 2008 recovery rebates for individuals.”.

SEC. 102. TEMPORARY INCREASE IN LIMITATIONS ON EXPENSING OF CERTAIN DEPRECIABLE BUSINESS ASSETS.

(a) IN GENERAL.—Subsection (b) of section 179 of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

“(7) INCREASE IN LIMITATIONS FOR 2008.—In the case of any taxable year beginning in 2008—

“(A) the dollar limitation under paragraph (1) shall be \$250,000,

1 “(B) the dollar limitation under paragraph
2 (2) shall be \$800,000, and

3 “(C) the amounts described in subpara-
4 graphs (A) and (B) shall not be adjusted under
5 paragraph (5).”.

6 (b) *EFFECTIVE DATE.*—The amendment made by this
7 section shall apply to taxable years beginning after Decem-
8 ber 31, 2007.

9 **SEC. 103. SPECIAL ALLOWANCE FOR CERTAIN PROPERTY**
10 **ACQUIRED DURING 2008.**

11 (a) *IN GENERAL.*—Subsection (k) of section 168 of the
12 Internal Revenue Code of 1986 (relating to special allow-
13 ance for certain property acquired after September 10,
14 2001, and before January 1, 2005) is amended—

15 (1) by striking “September 10, 2001” each place
16 it appears and inserting “December 31, 2007”,

17 (2) by striking “September 11, 2001” each place
18 it appears and inserting “January 1, 2008”,

19 (3) by striking “January 1, 2005” each place it
20 appears and inserting “January 1, 2009”, and

21 (4) by striking “January 1, 2006” each place it
22 appears and inserting “January 1, 2010”.

23 (b) *50 PERCENT ALLOWANCE.*—Subparagraph (A) of
24 section 168(k)(1) of such Code is amended by striking “30
25 percent” and inserting “50 percent”.

1 (c) *CONFORMING AMENDMENTS.*—

2 (1) *Subclause (I) of section 168(k)(2)(B)(i) of*
 3 *such Code is amended by striking “and (iii)” and in-*
 4 *serting “(iii), and (iv)”.*

5 (2) *Subclause (IV) of section 168(k)(2)(B)(i) of*
 6 *such Code is amended by striking “clauses (ii) and*
 7 *(iii)” and inserting “clause (iii)”.*

8 (3) *Clause (i) of section 168(k)(2)(C) of such*
 9 *Code is amended by striking “and (iii)” and insert-*
 10 *ing “, (iii), and (iv)”.*

11 (4) *Clause (i) of section 168(k)(2)(F) of such*
 12 *Code is amended by striking “\$4,600” and inserting*
 13 *“\$8,000”.*

14 (5)(A) *Subsection (k) of section 168 of such Code*
 15 *is amended by striking paragraph (4).*

16 (B) *Clause (iii) of section 168(k)(2)(D) of such*
 17 *Code is amended by striking the last sentence.*

18 (6) *Paragraph (4) of section 168(l) of such Code*
 19 *is amended by redesignating subparagraphs (A), (B),*
 20 *and (C) as subparagraphs (B), (C), and (D) and in-*
 21 *serting before subparagraph (B) (as so redesignated)*
 22 *the following new subparagraph:*

23 “(A) *BONUS DEPRECIATION PROPERTY*
 24 *UNDER SUBSECTION (K).*—Such term shall not

1 *include any property to which section 168(k) ap-*
2 *plies.”.*

3 *(7) Paragraph (5) of section 168(l) of such Code*
4 *is amended—*

5 *(A) by striking “September 10, 2001” in*
6 *subparagraph (A) and inserting “December 31,*
7 *2007”, and*

8 *(B) by striking “January 1, 2005” in sub-*
9 *paragraph (B) and inserting “January 1,*
10 *2009”.*

11 *(8) Subparagraph (D) of section 1400L(b)(2) of*
12 *such Code is amended by striking “January 1, 2005”*
13 *and inserting “January 1, 2010”.*

14 *(9) Paragraph (3) of section 1400N(d) of such*
15 *Code is amended—*

16 *(A) by striking “September 10, 2001” in*
17 *subparagraph (A) and inserting “December 31,*
18 *2007”, and*

19 *(B) by striking “January 1, 2005” in sub-*
20 *paragraph (B) and inserting “January 1,*
21 *2009”.*

22 *(10) Paragraph (6) of section 1400N(d) of such*
23 *Code is amended by adding at the end the following*
24 *new subparagraph:*

1 “(E) *EXCEPTION FOR BONUS DEPRECIATION*
 2 *PROPERTY UNDER SECTION 168(k).*—*The term*
 3 *‘specified Gulf Opportunity Zone extension prop-*
 4 *erty’ shall not include any property to which sec-*
 5 *tion 168(k) applies.”.*

6 (11) *The heading for subsection (k) of section 168*
 7 *of such Code is amended—*

8 (A) *by striking “SEPTEMBER 10, 2001” and*
 9 *inserting “DECEMBER 31, 2007”, and*

10 (B) *by striking “JANUARY 1, 2005” and in-*
 11 *serting “JANUARY 1, 2009”.*

12 (12) *The heading for clause (ii) of section*
 13 *168(k)(2)(B) of such Code is amended by striking*
 14 *“PRE-JANUARY 1, 2005” and inserting “PRE-JANUARY*
 15 *1, 2009”.*

16 (d) *EFFECTIVE DATE.*—*The amendments made by this*
 17 *section shall apply to property placed in service after De-*
 18 *cember 31, 2007, in taxable years ending after such date.*

19 **TITLE II—HOUSING GSE AND** 20 **FHA LOAN LIMITS**

21 **SEC. 201. TEMPORARY CONFORMING LOAN LIMIT INCREASE** 22 **FOR FANNIE MAE AND FREDDIE MAC.**

23 (a) *INCREASE OF HIGH COST AREAS LIMITS FOR*
 24 *HOUSING GSEs.*—*For mortgages originated during the pe-*

1 *riod beginning on July 1, 2007, and ending at the end of*
 2 *December 31, 2008:*

3 (1) *FANNIE MAE.*—*With respect to the Federal*
 4 *National Mortgage Association, notwithstanding sec-*
 5 *tion 302(b)(2) of the Federal National Mortgage Asso-*
 6 *ciation Charter Act (12 U.S.C. 1717(b)(2)), the limi-*
 7 *tation on the maximum original principal obligation*
 8 *of a mortgage that may be purchased by the Associa-*
 9 *tion shall be the higher of—*

10 (A) *the limitation for 2008 determined*
 11 *under such section 302(b)(2) for a residence of*
 12 *the applicable size; or*

13 (B) *125 percent of the area median price*
 14 *for a residence of the applicable size, but in no*
 15 *case to exceed 175 percent of the limitation for*
 16 *2008 determined under such section 302(b)(2) for*
 17 *a residence of the applicable size.*

18 (2) *FREDDIE MAC.*—*With respect to the Federal*
 19 *Home Loan Mortgage Corporation, notwithstanding*
 20 *section 305(a)(2) of the Federal Home Loan Mortgage*
 21 *Corporation Act (12 U.S.C. 1454(a)(2)), the limita-*
 22 *tion on the maximum original principal obligation of*
 23 *a mortgage that may be purchased by the Corporation*
 24 *shall be the higher of—*

1 (A) *the limitation determined for 2008*
 2 *under such section 305(a)(2) for a residence of*
 3 *the applicable size; or*

4 (B) *125 percent of the area median price*
 5 *for a residence of the applicable size, but in no*
 6 *case to exceed 175 percent of the limitation deter-*
 7 *mined for 2008 under such section 305(a)(2) for*
 8 *a residence of the applicable size.*

9 (b) *DETERMINATION OF LIMITS.—The areas and area*
 10 *median prices used for purposes of the determinations*
 11 *under subsection (a) shall be the areas and area median*
 12 *prices used by the Secretary of Housing and Urban Devel-*
 13 *opment in determining the applicable limits under section*
 14 *202 of this title.*

15 (c) *RULE OF CONSTRUCTION.—A mortgage originated*
 16 *during the period referred to in subsection (a) that is eligi-*
 17 *ble for purchase by the Federal National Mortgage Associa-*
 18 *tion or the Federal Home Loan Mortgage Corporation pur-*
 19 *suant to this section shall be eligible for such purchase for*
 20 *the duration of the term of the mortgage, notwithstanding*
 21 *that such purchase occurs after the expiration of such pe-*
 22 *riod.*

23 (d) *EFFECT ON HOUSING GOALS.—Notwithstanding*
 24 *any other provision of law, mortgages purchased in accord-*
 25 *ance with the increased maximum original principal obli-*

1 *gation limitations determined pursuant to this section shall*
 2 *not be considered in determining performance with respect*
 3 *to any of the housing goals established under section 1332,*
 4 *1333, or 1334 of the Housing and Community Development*
 5 *Act of 1992 (12 U.S.C. 4562–4), and shall not be considered*
 6 *in determining compliance with such goals pursuant to sec-*
 7 *tion 1336 of such Act (12 U.S.C. 4566) and regulations,*
 8 *orders, or guidelines issued thereunder.*

9 (e) *SENSE OF CONGRESS.—It is the sense of the Con-*
 10 *gress that the securitization of mortgages by the Federal Na-*
 11 *tional Mortgage Association and the Federal Home Loan*
 12 *Mortgage Corporation plays an important role in providing*
 13 *liquidity to the United States housing markets. Therefore,*
 14 *the Congress encourages the Federal National Mortgage As-*
 15 *sociation and the Federal Home Loan Mortgage Corpora-*
 16 *tion to securitize mortgages acquired under the increased*
 17 *conforming loan limits established in this section, to the ex-*
 18 *tent that such securitizations can be effected in a timely*
 19 *and efficient manner that does not impose additional costs*
 20 *for mortgages originated, purchased, or securitized under*
 21 *the existing limits or interfere with the goal of adding li-*
 22 *quidity to the market.*

23 **SEC. 202. TEMPORARY LOAN LIMIT INCREASE FOR FHA.**

24 (a) *INCREASE OF HIGH-COST AREA LIMIT.—For*
 25 *mortgages for which the mortgagee has issued credit ap-*

1 *proval for the borrower on or before December 31, 2008, sub-*
 2 *paragraph (A) of section 203(b)(2) of the National Housing*
 3 *Act (12 U.S.C. 1709(b)(2)(A)) shall be considered (except*
 4 *for purposes of section 255(g) of such Act (12 U.S.C. 1715z–*
 5 *20(g))) to require that a mortgage shall involve a principal*
 6 *obligation in an amount that does not exceed the lesser of—*

7 *(1) in the case of a 1-family residence, 125 per-*
 8 *cent of the median 1-family house price in the area,*
 9 *as determined by the Secretary; and in the case of a*
 10 *2-, 3-, or 4-family residence, the percentage of such*
 11 *median price that bears the same ratio to such me-*
 12 *dian price as the dollar amount limitation deter-*
 13 *mined for 2008 under section 305(a)(2) of the Federal*
 14 *Home Loan Mortgage Corporation Act (12 U.S.C.*
 15 *1454(a)(2)) for a 2-, 3-, or 4-family residence, respec-*
 16 *tively, bears to the dollar amount limitation deter-*
 17 *mined for 2008 under such section for a 1-family res-*
 18 *idence; or*

19 *(2) 175 percent of the dollar amount limitation*
 20 *determined for 2008 under such section 305(a)(2) for*
 21 *a residence of the applicable size (without regard to*
 22 *any authority to increase such limitation with respect*
 23 *to properties located in Alaska, Guam, Hawaii, or the*
 24 *Virgin Islands);*

1 *except that the dollar amount limitation in effect under this*
 2 *subsection for any size residence for any area shall not be*
 3 *less than the greater of (A) the dollar amount limitation*
 4 *in effect under such section 203(b)(2) for the area on Octo-*
 5 *ber 21, 1998; or (B) 65 percent of the dollar amount limita-*
 6 *tion determined for 2008 under such section 305(a)(2) for*
 7 *a residence of the applicable size. Any reference in this sub-*
 8 *section to dollar amount limitations in effect under section*
 9 *305 (a)(2) of the Federal Home Loan Mortgage Corporation*
 10 *Act means such limitations as in effect without regard to*
 11 *any increase in such limitation pursuant to section 201 of*
 12 *this title.*

13 (b) *DISCRETIONARY AUTHORITY.—If the Secretary of*
 14 *Housing and Urban Development determines that market*
 15 *conditions warrant such an increase, the Secretary may,*
 16 *for the period that begins upon the date of the enactment*
 17 *of this Act and ends at the end of the date specified in sub-*
 18 *section (a), increase the maximum dollar amount limita-*
 19 *tion determined pursuant to subsection (a) with respect to*
 20 *any particular size or sizes of residences, or with respect*
 21 *to residences located in any particular area or areas, to*
 22 *an amount that does not exceed the maximum dollar*
 23 *amount then otherwise in effect pursuant to subsection (a)*
 24 *for such size residence, or for such area (if applicable), by*
 25 *not more than \$100,000.*

1 (c) *PUBLICATION OF AREA MEDIAN PRICES AND LOAN*
2 *LIMITS.*—*The Secretary of Housing and Urban Develop-*
3 *ment shall publish the median house prices and mortgage*
4 *principal obligation limits, as revised pursuant to this sec-*
5 *tion, for all areas as soon as practicable, but in no case*
6 *more than 30 days after the date of the enactment of this*
7 *Act. With respect to existing areas for which the Secretary*
8 *has not established area median prices before such date of*
9 *enactment, the Secretary may rely on existing commercial*
10 *data in determining area median prices and calculating*
11 *such revised principal obligation limits.*

12 ***TITLE III—EMERGENCY*** 13 ***DESIGNATION***

14 ***SEC. 301. EMERGENCY DESIGNATION.***

15 *For purposes of Senate enforcement, all provisions of*
16 *this Act are designated as emergency requirements and nec-*
17 *essary to meet emergency needs pursuant to section 204 of*
18 *S. Con. Res. 21 (110th Congress), the concurrent resolution*
19 *on the budget for fiscal year 2008.*

Attest:

Secretary.

110TH CONGRESS
2^D SESSION

H. R. 5140

AMENDMENT